

# CRS Report for Congress

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## Quadrennial Defense Review (QDR): Background, Process, and Issues

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### Summary

The congressionally mandated Quadrennial Defense Review (QDR) directs DoD to undertake a wide-ranging review of strategy, programs, and resources. Specifically, the QDR is expected to delineate a national defense strategy consistent with the most recent National Security Strategy by defining force structure, modernization plans, and a budget plan allowing the military to successfully execute the full range of missions within that strategy. The report will include an evaluation by the Secretary of Defense and Chairman of the Joint Chiefs of Staff of the military's ability to successfully execute its missions at a low-to-moderate level of risk within the forecast budget plan. The results of the 2001 QDR could well shape U.S. strategy and force structure in coming years. This report will be updated as future events warrant.

### Background

The Quadrennial Defense Review for 2001 is a congressionally mandated review of national defense strategy. The Secretary of Defense is required to analyze, among other things, force structure, modernization plans, military infrastructure, and the defense budget with a view towards establishing a roadmap for defense programs for the next 20 years. This comprehensive assessment could profoundly effect the nation's ability to carry out its national security strategy in the new millennium.

**Genesis of QDR 2001.** The 1990s produced a number of defense related studies meant to reshape American military strategy in light of the downfall of the Soviet Union and the end of the Cold War. These studies included the "Base Force" structure, the Bottom Up Review, the Commission on Roles and Missions, the Quadrennial Defense Review of 1997, and the 1997 National Defense Panel. In the early 1990s the Chairman of the Joint Chiefs of Staff, General Colin Powell, coined the term "Base Force." It was used to designate a proposed structure representing the minimum armed forces necessary for the United States to meet the national security objectives defined by policy makers,

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notably the capability to conduct two major theater wars simultaneously.<sup>1</sup> In 1993, the Bottom Up Review (BUR) acknowledged the significant changes in the global security environment by articulating a strategy where the Department of Defense sought to prevent conflict by promoting democracy and peaceful resolution of conflict while connecting the U.S. military to the militaries of other countries, especially those of the former Soviet Union.<sup>2</sup> The BUR addressed the need for peacekeeping and peace enforcement operations but used the two major theater war (MTW) scenario as the main force shaping construct.<sup>3</sup> Iraq and North Korea were seen as regional powers able to initiate simultaneous conflicts requiring a U.S. military response. Their capabilities in turn drove force planning, structure, and capabilities of the American military forces.

The BUR was criticized on various grounds. Some thought the resultant construct was merely a budget driven review and failed to adequately address the challenges of the new international security environment. As a result, in the 1994 National Defense Authorization Act, Congress mandated the Commission on Roles and Missions (CORM). The CORM was later criticized for failing to depart from the two-MTW scenario. Its most significant contributions included suggestions that DoD undertake a major quadrennial strategy review and that the Chairman of the Joint Chiefs of Staff develop a clear vision for future joint operations.<sup>4</sup> Reacting to one of the CORM recommendations, Congress directed the 1997 Quadrennial Defense Review as a method to conduct a “fundamental and comprehensive examination of America’s defense needs.”<sup>5</sup>

**The First QDR.** QDR 97 described a strategy of “shape, respond, prepare” in which the military must shape the environment through deterrence and engagement, remain prepared to engage in a spectrum of conflicts ranging from small scale contingencies to major theater war, and prepare for an uncertain future. In addition, the report acknowledged the military must contend with additional threats including the proliferation of weapons of mass destruction, advanced technologies, the drug trade, organized crime, uncontrolled immigration, and threats to the U.S. homeland.<sup>6</sup> As with the BUR and CORM, the QDR retained the two-MTW construct as its force shaping tool. As a result, the 1997 QDR was again criticized by many as a budget driven assessment of what military force structure would be like if funded at present budget levels.

The Military Force Structure Review Act of 1996 established the independent National Defense Panel (NDP) as a forum to review the results of the 1997 QDR. The NDP report took exception to what it termed broadly as the QDR’s less than ambitious

<sup>1</sup> Lorna S. Jaffe, *The Development of the Base Force 1989-1992*, Washington, DC: Joint History Office (OCJCS), July 1993, p. 21.

<sup>2</sup> Les Aspin, *Report on the Bottom Up Review*, Section I, “National Security in the Post-Cold War Era.”

<sup>3</sup> *Ibid.*, Section II, “A Defense Strategy for the New Era.”

<sup>4</sup> Center for Strategic and Budgetary Analysis, “Commission on Roles and Missions,” reprinted at [<http://www.csbaonline.org>].

<sup>5</sup> William S. Cohen, *Report of the Quadrennial Defense Review*, Washington, DC: Department of Defense, May 1997, Section I.

<sup>6</sup> *Ibid.*, Section II.

plan for defense transformation, stating that, “our current security arrangements--will not be adequate to meeting the challenges of the future.”<sup>7</sup> It also recommended a comprehensive look at scaling back or cancelling “legacy systems.”<sup>8</sup> Most significantly the NDP report challenged the requirement to fight two major theater wars simultaneously as simply a force sizing tool and not a viable strategy. The two-MTW construct was criticized as a means to justify Cold War based force structure and as a roadblock to implementing transformation strategies enabling the military to prepare for future threats.<sup>9</sup>

The second Quadrennial Defense Review is now fully under way. The 2001 QDR presents an opportunity to assess future U.S. security challenges and link them to an overarching military strategy designed to protect the interests of the U.S. as a whole. Its results however, are not binding, and may be significantly altered by the administration.

## **QDR Process**

The 106<sup>th</sup> Congress created a permanent requirement for a Quadrennial Defense Review by inserting Section 118 into Chapter 2 of title 10, United States Code, which states that every four years the Secretary of Defense will:

.....conduct a comprehensive examination of the national defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies of the United States with a view towards determining and expressing the defense strategy of the United States and establishing a defense program for the next 20 years.<sup>10</sup>

The purpose of the 2001 QDR as stated in the National Defense Authorization Act for Fiscal Year 2000 is to 1) delineate a military strategy consistent with the most recent National Security Strategy<sup>11</sup>, 2) define the defense programs to successfully execute the full range of missions assigned the military by that strategy, and 3) identify the budget plan necessary to successfully execute those missions at a low-to-moderate level of risk.

The questions listed below are intended to assist DoD in formulating a comprehensive military strategy in light of the evolving international security environment and rapidly emerging technologies. Congress specifically requires the Secretary of Defense to consider precision guided munitions, stealth, night vision, digitization, and communications as he formulates his preferred force structure options for the next 20 years.<sup>12</sup>

<sup>7</sup> *Transforming Defense: National Security in the 21<sup>st</sup> Century*, Report of the National Defense Panel, December 1997, p. 21.

<sup>8</sup> The report cited the Army’s M1A1 Abrams Tank upgrades, the Crusader artillery vehicle, the Comanche helicopter, the Navy’s last Nimitz-class carrier, and the defense-wide tactical aircraft programs (F/A-18E/F, F-22, and Joint Strike Fighter) as likely candidates for cancelling or scaling back to make room in the budget for new systems focused on future challenges.

<sup>9</sup> Report of the National Defense Panel, p. 23.

<sup>10</sup> *Congressional Record*. August 5, 1999, p. H7527.

<sup>11</sup> A *National Security Strategy for a New Century* was published in December, 1999, and is available on-line at [[http://www.dtic.mil/doctrine/jel/other\\_pubs.htm](http://www.dtic.mil/doctrine/jel/other_pubs.htm)].

<sup>12</sup> *Congressional Record*. August 5, 1999, p. H7527.

## The Quadrennial Defense Review Congressional Mandate

The Department of Defense is to submit a report to Congress by September 30, 2001, which will include an assessment by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff defining the magnitude of the political, strategic, and military risks associated with carrying out the missions as expressed in the QDR strategy. Congress has specifically requested the report include answers to the following questions:

- (1) The results of the review, including a comprehensive discussion of the national defense strategy of the United States and the force structure best suited to implement that strategy at a low-to-moderate level of risk.
- (2) The assumed or defined national security interests of the United States that inform the national defense strategy defined in the review.
- (3) The threats to the assumed or defined national security interests of the United States that were examined for the purposes of the review and the scenarios developed in the examination of those threats.
- (4) The assumptions used in the review, including assumptions relating to: A) readiness; B) the cooperation of allies, mission-sharing and benefits and burdens resulting from coalition operations; C) warning times; D) levels of engagement in operations other than war and smaller-scale contingencies; and, E) the intensity, duration, and military and political end-states of conflicts and smaller-scale contingencies.
- (5) The effect on the force structure and on readiness for high-intensity combat of preparations for and participating in operations other than war and smaller-scale contingencies.
- (6) The manpower and sustainment policies required under the national defense strategy to support engagement in conflicts lasting longer than 120 days.
- (7) The anticipated roles and missions of the reserve components in the national defense strategy and the strength, capabilities, and equipment necessary to assure that the reserve components can capably discharge those roles and missions.
- (8) The appropriate ratio of combat forces to support forces (commonly referred to as the tooth-to-tail ratio) under the national defense strategy, including, in particular, the appropriate number and size of headquarters units and Defense Agencies for that purpose.
- (9) The strategic and tactical air-lift, sea-lift, and ground transportation capabilities required to support the national defense strategy.
- (10) The forward presence, pre-positioning, and other anticipatory deployments necessary under the national defense strategy for conflict deterrence and adequate military response to anticipated conflicts.
- (11) The extent to which resources must be shifted among two or more theaters under the national defense strategy in the event of conflict in such theaters.
- (12) The advisability of revisions to the Unified Command Plan as a result of the national defense strategy.
- (13) The effect on force structure of the use of the armed forces of technologies anticipated to be available for the ensuing 20 years.
- (14) Any other matter the Secretary considers appropriate.

**QDR Input.** While OSD is responsible for the integration of the QDR effort, it is the Joint Staff that will gather the data and formulate the inputs from the individual Services, the combatant commands, and Defense Agencies into the end result. The Joint Staff QDR organization is led by a general officer steering committee that will receive input from eight different panels. Those panels are Strategy and Risk Assessment; Force Generation, Capability and Structure; Modernization; Sustainment, Strategic Mobility and Infrastructure; Readiness; Transformation, Innovation and Joint Experimentation; Information Superiority; and Human Resources. Each panel's input will go to a Preparation Group which is assisted by an Integration Group providing budget, analysis, and administrative support. The Joint Requirements Oversight Council, the Service Operational Deputies, and the Joint Chiefs of Staff will provide guidance and help resolve panel issues as needed. Recent information suggests that OSD will form six major issue panels to develop options and make recommendations for the QDR report. Those panels are tentatively: strategy; force structure; capabilities and investment; information warfare, intelligence, and space; personnel and readiness support infrastructure; and joint organizations.<sup>13</sup>

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<sup>13</sup> Elaine M. Grossman, "Pentagon to Perform Quadrennial Defense Review at Lightning Pace," *Inside the Pentagon*, May 31, 2001, p. 1.

## **QDR Process Issues**

Several process issues will garner attention as the QDR is undertaken. First, the timing of the QDR itself may be called into question. Numerous major policy actions by the Bush Administration must be considered prior to delineating the National Security Strategy. Second, determining the appropriate military strategy with which to frame the review will be a crucial step. Last, prior studies were criticized by some as being a budget driven process as opposed to strategy driven. Although the military strategy ultimately defined by the QDR will most likely have budgetary limitations, it is deemed essential to provide a clear picture of how that strategy effectively defends U.S. national interests.

**Timing of the QDR.** As discussed earlier, the QDR process was established as a Title 10 requirement for the Secretary of Defense to conduct a QDR “every four years, during a year evenly divisible by four” and to submit the report to Congress “not later than September 30 of the year in which the review is conducted.”<sup>14</sup> The National Security Strategy is due in June of 2001 with the QDR report to follow by September 30, 2001. If the administration substantially changes previous security strategy, DoD will most likely require more time to formulate its strategy and concepts based on the new National Security Strategy and delineate a coherent military strategy within which to frame the QDR. It has been suggested by some that the administration take a different approach to the review. Conducting a broad strategic review and using it to establish priorities with a more extensive study to follow might allow both the administration and DoD to take a more measured view.<sup>15</sup> This method could affect the administration’s first budget submission in 2002. Using results of QDR97 to shape the defense budget until the comprehensive study is complete might allow the administration to more coherently translate its National Security Strategy into a different or revamped defense strategy. This approach would require Congress to amend the QDR legislation now in law.

**Appropriate Strategy.** Structuring our military forces on the premise the U.S. military will need to fight two simultaneous regional conflicts provided a logical yardstick during the Cold War and time frame immediately afterward. Some see it as a less likely occurrence in today’s environment given the lack of eligible adversaries that could muster the necessary forces and resources to create that scenario. Since that time, it has been criticized as being more an argument to retain the current force structure at the expense of restructuring. Opponents of the two-MTW construct contend it is difficult to substantiate the necessity of countering major, cross-border, conventional conflicts in the current international security environment. The emerging asymmetric threats of terrorism, narco-trafficking, weapons of mass destruction, information warfare, environmental sabotage, anti-access operations, and other low intensity operations may dictate a different approach to force sizing.<sup>16</sup> Conversely, modifying or completely changing the current

<sup>14</sup> *Congressional Record*. August 5, 1999, p. H7527.

<sup>15</sup> *Quadrennial Defense Review 2001 Working Group*, Report of the National Defense University, November 2000, p. 7.

<sup>16</sup> *Seeking a National Strategy: A Concert for Preserving Security and Promoting Freedom*, The Phase II Report on a U.S. National Security Strategy for the 21<sup>st</sup> Century, Washington, DC: United States Commission on National Security/21st Century, April 1, 2000, pp. 14-15. There is no  
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strategy may have an impact on our allies around the world. Changing the two-MTW construct could be perceived by some allies as a lack of resolve and backing away from current security commitments.

**Strategy/Budget Mismatch.** The cost of most strategies considered will probably exceed current budget levels. Estimates range from over \$20 billion to \$100 billion per year shortfall to fund the 1997 QDR force.<sup>17</sup> The Iraqi no-fly zone enforcement, the Balkans peacekeeping force, and numerous other small scale commitments continue to place a strain on the current budget. Budget estimates for transforming the military to meet future threats while maintaining a credible force to deter current threats or win possible conflicts far outreach the proposed defense budgets in the current future years defense program.<sup>18</sup> The overall goal of the QDR process is to create a defense strategy, complementing the National Security Strategy, bounded by a budget that ensures a “low-to-moderate level of risk” when executed. In order to do this, most defense specialists see a likely necessity to either increase the defense budget, restructure and reduce current costs, or reduce the demands of the current defense strategy. They have urged that the QDR approach as monitored by Congress address those hard choices.

## Conclusion

Besides the process issues mentioned above, Congress may be interested in other aspects of the QDR. It will be important to ensure the DoD QDR organization is an effective analytic structure that emphasizes jointness and total force thinking versus protection of individual service equities or service budget shares. The roles of the regional commander-in-chiefs should be analyzed as they compete for limited service resources during growing commitments. The transformation strategies of each service could require a reassessment of procurement decisions of systems designed for conventional battle as the United States moves further into the information age. The methods of estimating the risks involved in changing the strategy, the construct the strategy is based upon, and the transformation philosophies of the services could well affect the outcome of the QDR. Translating the QDR into a coherent and useful defense strategy to guide the United States into an uncertain future will require challenging choices by the Congress and Bush Administration.

<sup>16</sup> (...continued)

indication what impact, if any, these reports will have on the Pentagon’s QDR strategy.

<sup>17</sup> Daniel Goure and Jeffrey Ranney of the Center for Strategic and International Studies, in their 1999 book, *Averting the Defense Train Wreck in the New Millennium*, espouse a \$100 billion per year shortfall whereas analysts at the Center for Strategic Budgetary Assessments believe the shortfall will exceed \$20 billion per year.

<sup>18</sup> The Army alone is estimating a \$70 billion price tag for its transformation process between 2000 and 2014. See Ron Laurenzo’s article in *Defense Week*, February 14, 2000, “Army ‘Vision’ to Cost \$70 Billion Through 2014.”